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November 7, 2019

Sean C. Mayo – Pipeline Safety Director
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Subject: 2019 Natural Gas Incident Investigation NRC# 1257142 – Cascade Natural Gas Corporation – 09/01/2019
at 911 Hampton Rd., Lynden WA – (Insp. No. 8012)

Dear Mr. Mayo,

This is in response to the October 16, 2019 letter from Washington UTC regarding the Incident Investigation stemming from an incident that occurred on September 1, 2019 at 911 Hampton Road in Lynden, WA. The response due date is November 18, 2019.

PROBABLE VIOLATION

WAC 480-93-200(1)(d), Reporting Requirements.

- (1) *Each gas pipeline company must give notice to the commission by telephone using the emergency notification line (see WAC 480-93-005(8)) within two hours of discovering an incident or hazardous condition arising out of its operations that results in:*
- (d) *The unintentional ignition of gas;*

Findings:

On 09/01/2019 Cascade Natural Gas (CNG) responded to a report of a gas leak and structure fire located at 911 Hampton Rd in Lynden WA. The fire and leak were caused by a vehicle that hit a house and severed the service riser at the meter set. The leaking gas ignited burning the residence and car. The ignition source is unknown but assumed to be the vehicle. The damaged facility consisted of a two stage regulated high pressure service line with the first stage regulator and fracture disc located at the property line and the second stage (house) regulator located at the meter set. The service line was 3/4-inch steel operating at approximately 27 psig. The service line was severed between the service shut off valve and house regulator on the high pressure side (27 psig) of the meter set assembly.

When CNG's first responder arrived at 1:05 AM, the gas was already shut off by the Lynden Fire Department. Shut off time was reported as 12:30 AM. CNG's first responder was unable to access the riser due to the crashed vehicle and flames so the service was locked off at the first stage regulator shut off valve. CNG personnel returned the next morning on 09/02/2019 and capped the riser, removed the remainder of the meter and conducted a leak survey.

This incident was report to the National Response Center on 09/03/2019 at 1:25 PM and the Commission on 09/03/2019 at 1:29PM.

CNG did not notify the Commission within two hours of an incident involving the unintentional ignition of gas as required by WAC 48-92-200(1)(d).

CNG Response:

The delayed reporting of the September 1, 2019 notifiable event was a result of Cascade Natural Gas Company (CNG) not fully assessing the scene. The First Responder did not report the notifiable event, as defined in procedure OPS 9 - Gas Emergency Notification and Reporting, to the Supervisor On-Call. Upon arrival, the First Responder contacted the Fire Chief and was advised that the High Pressure Service Set (HPSS) was turned off due to a house fire. The First

Responder did not coordinate with the Fire Department to determine when a safe time would be to return and investigate. The First Responder did not contact the Supervisor On-Call until returning to the scene on Monday, September 2, 2019.

To prevent future occurrences, the following sentence will be added to CP 925 – Emergency Policy:

Contact the Supervisor On-Call as soon as practical and no later than 30 minutes after discovery of any notifiable event listed in OPS 9 - Gas Emergency Notification and Reporting (i.e. State Regulatory, PHMSA, Serious Accident, OSHA, and other General Office notification requirements).

The effective date of the CP 925 revision is January 2, 2020. Managers, supervisors, and other personnel who perform Supervisor On-Call duties will receive OPS 9 – Gas Emergency Notification and Reporting training by November 29, 2019. (See Exhibit 1) CNG First Responders will receive the OPS 9 training from their manager or supervisor by December 31, 2019. The OPS 9 training includes the CP 925 revision. The training will also be added to the annual Emergency Response Training conducted by our Technical Training Department.

Additionally, the integration and revision of the MDU Utilities Group Natural Gas Emergency Response Plan, currently CP 925- Emergency Policy at CNG, has been rescheduled to the first quarter of 2020 from the original schedule date of first quarter of 2021. When the revised Emergency Response Plan is implemented, the training will include reporting requirements.

Lastly, the portion of service line from the HPSS to the Meter Set Assembly was abandoned on October 31, 2019. When the abandoned portion of service line is replaced, it will include an Excess Flow Valve (EFV) downstream of the HPSS per the requirements CP 647 – Excess Flow Valves.

If you have any questions or need additional information, please contact Josh Sanders at (701) 222-7773.

Respectfully submitted,



Pat Darras
Vice President, Engineering & Ops Services
Montana-Dakota Utilities, Co.

Exhibit 1

THE 5 W'S OF OPS 9 – GAS EMERGENCY NOTIFICATION AND REPORTING

Complete Utility Group Attendance form 20231 and submit to:
Samantha.Caldwell@mdu.com



NOTE:

This training pertains to Notifiable Events, and does not supersede other Company Emergency Response Training or Notification Requirements.



WHO do I call?

- ✓ **Contact Supervisor on-call** as soon as practical and no later than 30 minutes after discovery of a Notifiable Event listed in OPS 9 - Gas Emergency Notification and Reporting.

CNG CP 925 - IGC 3010 - MDU/GPNG 1010



WHO calls the GO Hotline?

- ✓ Supervisor on-call or responsible manager will notify the General Office Notification Hotline.
 - If the hotline is unavailable or GO on-call personnel is unavailable/does not answer or respond within 15 minutes, then Gas Control Room should be called.



WHAT is considered “Significant Media Coverage”

WHAT is not?

- ✓ Media personnel are on site, Utility Group First Responders physically see or encounter media.

***Reminder: Refer all media inquiries to the MDU Resources Media Line at:
888-530-MDUR (888-530-6387)***

- ✓ Social media (e.g. internet blogs, Facebook, Twitter, etc.) is NOT considered media coverage.



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WHAT qualifies an event to be a PHMSA Reportable Incident?

- ✓ An event that involves a release of natural gas from a pipeline,
AND
 - Death or personal injury requiring in-patient hospitalization;
 - Damage to property totaling \$50,000 or more, including loss to the operator and others, or both, but excluding the cost of lost gas;
 - Unintentional estimated gas loss of 3 million cubic feet or more; or
- ✓ An event that is significant in the judgement of the operator, even though it did not meet the criteria above.
- ✓ An event that results in an emergency shut down of an LNG Facility or an underground natural gas storage facility.



WHEN should I call my Supervisor on- call in regards to a Notifiable Event?

- ✓ State Notifiable event
- ✓ PHMSA Reportable Incident
- ✓ Serious Accident or OSHA Reportable Event
- ✓ Fire where Jurisdictional Gas is suspected as the cause
- ✓ Explosion (Jurisdictional or Non-Jurisdictional)
- ✓ Carbon Monoxide (CO) Incident involving hospitalization, death or Media Coverage
- ✓ Media on site or Significant Media Coverage
- ✓ Interruption of Transmission Supply from Gas Provider/s
- ✓ Natural Disaster (tornado, flood, earthquake, wild fire)
- ✓ Acts of Terrorism or major vandalism



“Death or personal injury requiring in-patient hospitalization”

Example A:

A contractor digging footings for a commercial fence damages a 3” steel main. When striking the main the operator was injured and went to the hospital. Gas is escaping, a segment of the main must be replaced, traffic is controlled and rerouted.



Why?:

Personal injury requiring in-patient hospitalization

Additionally: An incident such as this is an example of an OSHA Reportable Incident



“Fires where jurisdictional natural gas is suspected as the cause ”



Example B:

A customer's patio grill starts a fire that spreads to a nearby garage. The grill was built into the patio and is fueled via downstream piping.

Why?

This incident involves non-jurisdictional piping.



“Damage to property totaling \$50,000 or more, including loss to the operator and others, or both, but excluding the cost of lost gas”

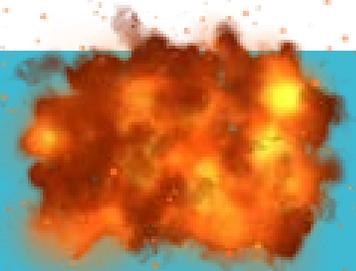


Example C:

A vehicle strikes a residential meter set and causes a release of gas that ignites. Portions of the home and vehicle are on fire. First Responder is unable to verify if the gas release is jurisdictional or non-jurisdictional.

Why?

Costs incurred are over or more than likely over \$50,000 and a jurisdictional release may be involved.



“Fires where jurisdictional natural gas is suspected as the cause or any explosion where a Utility Group First Responder has been dispatched.”

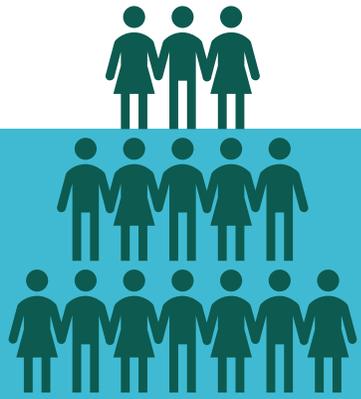


Example D:

A rural construction site without an established address is reported to be on fire. Utility Group First Responders are called as there are reports of an explosion.

Why?

Any explosion whether it is jurisdictional or non-jurisdictional should be reported.



“A release of jurisdictional gas or damage to Company facilities with media on site or significant media coverage.”



Example E:

While landscaping a commercial property in a busy neighborhood next to a school, a contractor strikes the properties service line causing damage to the plastic line, but gas is not escaping, because of the location media is expected, but they are not on site.

Why?

The school was not evacuated, a release of gas did not occur, media is not on site and no significant media coverage has occurred.

Urgent – Compliance Message

Compliance Department – Utility Group

Subject: DOT Notifiable Incident with PHMSA

Description: In response to a recent interpretation from PHMSA. A leak repair where all total costs incurred by company (examples: hard surface repair, traffic control, re-lights, sub-contractor labor but not limited to) for repair of leak exceeds \$50,000 is a reportable incident to PHMSA.

Action Required: Field operations staff shall review scope of leak repair and monitor costs. Once costs are expected/estimated to exceed \$50,000, the incident is reported to PHMSA and state inspectors.

U.S. Department
Of Transportation
Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Avenue SE
Washington DC 20590

OCT 04 2018

Mr. Sean C. Mayo
Pipeline Safety Director
Washington Utilities and
Transportation Commission
1300 S. Evergreen Part Drive, S.W.,
P.O. Box 47250
Olympia Washington 98504-7250

Dear Mr. Mayo:

In a July 31, 2018, letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA), you requested an interpretation of 49 CFR Part 191. Specifically, you requested an interpretation of the definition of "incident" as defined under § 191.3.

You stated a local distribution company (LDC), in Washington State, received call for a natural gas leak and dispatched its employees to investigate the source of the leak. Over a period of 4 days, the LDC employees made several excavations, found gas migrating through underground drain piping, and finally managed to pinpoint and isolate a segment of 2-inch steel main that stopped the flow of the natural gas. You stated then the LDC replaced the leaking segment of main. You asked whether the leak repair, which cost the operator more than \$50,000, would meet the definition of an "incident" under § 191.3?

You provided two attachments that show the operator's 30-day follow-up letter to the Commission and the operator's total cost for responding, investigating, repairing and replacing the leaking pipeline including right of way restoration and overhead. One of the attachments shows that the operator believes the \$50,000 in property damage must be a direct result of a gas pipeline failure (event) to be a reportable incident to PHMSA, but not the cost to repair the pipeline. Therefore, the operator does not believe this situation requires an incident report to PHMSA.

Under § 191.3, the definition of incident states, in relevant part:

Incident means

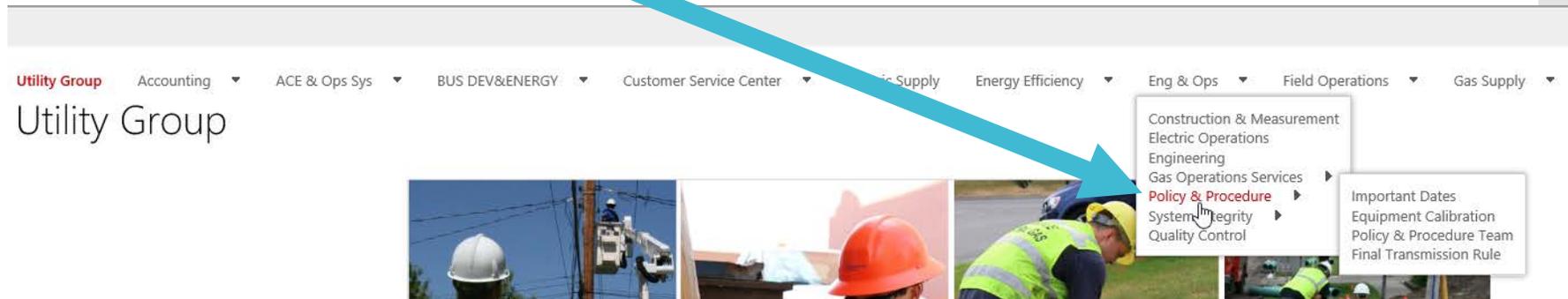
- (ii) Estimated property damage of \$50,000 or more, including loss to the operator and others, or both, but excluding cost of gas lost;



WHERE
can I find OPS 9 –
Gas Emergency
Notification and
Reporting to
review State
Specific
Notifiable
Events?

✓ OPS 9 is located on the Policy & Procedure SharePoint site.

The Policy & Procedure SharePoint site is accessible via the UG Home Page



<https://mdug.mduresources.com/SitePages/Home.aspx>

WHY

is this so important?

The Utility Group is required to report to State and Federal agencies.

In order to do so timely and accurately:

We need your help!

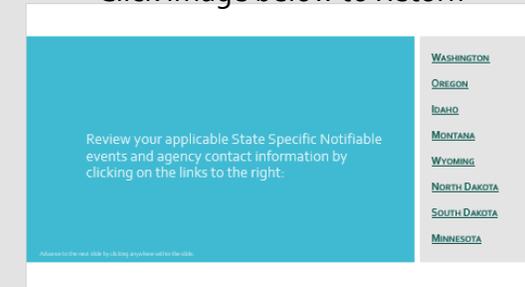


Questions?

Washington

- A fatality or personal injury requiring hospitalization;
- Damage to the property of the operator and others of a combined total exceeding fifty thousand dollars;
- The evacuation of a building, or high occupancy structures or areas;
- The unintentional ignition of gas;
- The unscheduled interruption of service furnished by any operator to 25 or more distribution customers;
- A pipeline or system pressure exceeding the MAOP, plus ten percent or the maximum pressure allowed by proximity considerations outlined in WAC 480-93-020; or
- The uncontrolled release of gas for more than two hours;
- The taking of a high pressure (over 60 psig) supply or transmission pipeline or a major distribution supply pipeline out of service;
- A pipeline or system operating at low pressure, dropping below the safe operating conditions of attached appliances and gas equipment; or
- A pipeline or system pressure exceeding the MAOP.

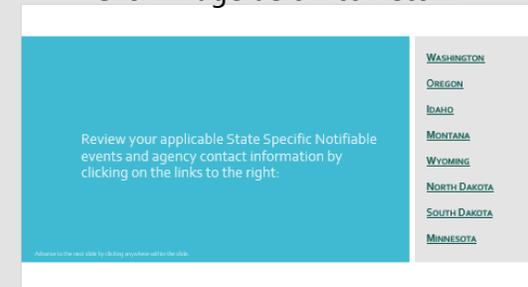
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Oregon

- Any reportable incident to PHMSA
- A loss of life or limb
- "Serious injury to person" is an injury which results in hospitalization. Treatment in an emergency room is not hospitalization.
- "Serious injury to property"
 - Damage to operator or non-operator property exceeding \$5,000; or
 - Damage to property which causes a loss of service to over 50 customers for over two hours.
- Any event that is significant, in the judgment of UG personnel, that does not meet any of the above requirements. Examples include the following:
 - A dig in or damage to facilities where media coverage would be substantial. Social media (e.g. internet blogs, Google Groups, Facebook, and Twitter) is not considered media coverage for OPUC notifications.
 - An event that could generate political scrutiny due to location such as an evacuation of an HOA/S that is occupied by 20 or more persons at the time of the event.
 - An event that leads to the rerouting or the shutdown of a major roadway (e.g. highways, freeways; notification is not required for residential and secondary roadways).

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Idaho

- A release of gas that caused a death or a personal injury causing inpatient hospitalization.
- A release of gas that caused property damage, (excluding cost of gas loss) of the operator or others, or both, of \$50,000 or more.
- A release of gas that caused unintentional estimated gas loss of three million cubic feet or more.
- An event that results in an emergency down of an LNG facility
- An event that is significant in the judgment of the operator, even though it did not meet the criteria above.
- An accident resulting in hospitalization.
- A gas leak or incident that caused estimated damage to the property of the Company or others, or both, of a total of \$5,000 or more, but less than \$50,000.
- A gas leak or incident that caused an interruption of gas service to 25 or more customers, *or the evacuation of a hospital, school or Government facility.*
- A gas leak or incident that caused the likelihood of significant news coverage or public attention where Company or customer-owned facilities were involved.

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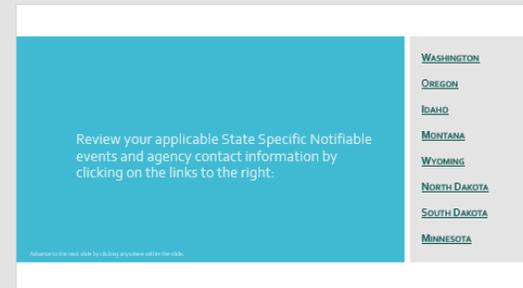
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Montana

- PHMSA incidents involving a gas release and:
 - Death or personal injury requiring in-patient hospitalization;
 - Damage to property totaling \$50,000 or more, including loss to the operator and others, or both, but excluding the cost of lost gas;
 - Unintentional estimated gas loss of 3 million cubic feet or more; or
 - Any event that is significant in the judgement of the operator, even though it did not meet the criteria of paragraphs 1, 2, or 3.

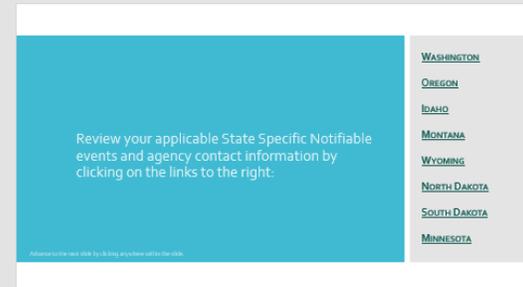
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Wyoming

- PHMSA incidents involving a gas release and:
 - Death or personal injury requiring in-patient hospitalization;
 - Damage to property totaling \$50,000 or more, including loss to the operator and others, or both, but excluding the cost of lost gas;
 - Unintentional estimated gas loss of 3 million cubic feet or more; or
 - Any event that is significant in the judgement of the operator, even though it did not meet the criteria of paragraphs 1, 2, or 3.
- Additional reporting of service interruptions meeting the following levels must be reported to the Wyoming PSC Outage Line within 2 hours of occurrence:
 - Gas outages defined as an incident; affecting 25 or more customers;
 - An evacuation displacing 25 or more people; or
 - Service interruptions that are likely to produce significant detrimental effects on customers, facilities or public safety.

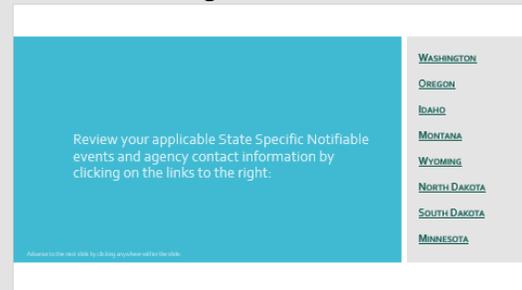
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North Dakota

- PHMSA incidents involving a gas release and:
 - Death or personal injury requiring in-patient hospitalization;
 - Damage to property totaling \$50,000 or more, including loss to the operator and others, or both, but excluding the cost of lost gas;
 - Unintentional estimated gas loss of 3 million cubic feet or more; or
 - Any event that is significant in the judgement of the operator, even though it did not meet the criteria of paragraphs 1, 2, or 3.

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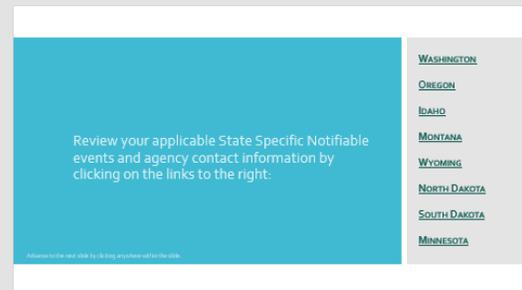
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South Dakota

- Any time media is on site
- PHMSA incidents involving a gas release and:
 - Death or personal injury requiring in-patient hospitalization;
 - Damage to property totaling \$50,000 or more, including loss to the operator and others, or both, but excluding the cost of lost gas;
 - Unintentional estimated gas loss of 3 million cubic feet or more; or
 - Any event that is significant in the judgement of the operator, even though it did not meet the criteria of paragraphs 1, 2, or 3.

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Minnesota

- PHMSA incidents involving a gas release and:
 - Death or personal injury requiring in-patient hospitalization;
 - Damage to property totaling \$50,000 or more, including loss to the operator and others, or both, but excluding the cost of lost gas;
 - Unintentional estimated gas loss of 3 million cubic feet or more; or
 - Any event that is significant in the judgement of the operator, even though it did not meet the criteria of paragraphs 1, 2, or 3.
- MNOPS requires notification of PHMSA incidents above and additionally Reportable Events involving release of gas causing any of the following:
 - Evacuation of 10 or more people;
 - Evacuation of a school, hospital, or healthcare facility;
 - Rerouting of traffic or closing a highway by public emergency responders;
 - 50 or more customers out of service;
 - Any media attention; or
 - Unintentional fire or explosion.

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